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## UM Medical School may buy Cedars Medical Center

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The University of Miami is in discussions to purchase Cedars Medical Center -- a move that, if successful, would halt the medical school's plans to build a new 14-story, \$460 million facility of its own, according to a leader of the UM board of trustees.

"Cedars makes sense because of where it is," said Norman Braman, a car dealer and UM trustee who chairs the board's committee on medical affairs. "This would mean having beds available earlier, because if we built facilities they wouldn't be available until 2011 or 2012."

Cedars, a 560-bed facility owned by the HCA hospital chain, is just across the street from the campus that the med school shares with Jackson Memorial, Miami-Dade County's central public hospital where UM professors now practice.

The med school officials were unavailable for comment Wednesday. Last month, when asked about a possible Cedars deal, the school e-mailed a statement from Vice President William Donelan: "We're in the midst of design development on a major clinical facilities project."

"We're in a period of evaluation now, which is not unusual in healthcare projects of this scope, trying to adjust to a variety of issues including the construction market, our affiliations and the general healthcare market."

### CHANGE IN DIRECTION

If UM purchased Cedars, it would mean a sharp reversal in direction for the med school, which last May announced the most expensive undertaking in the school's history -- a 144-bed, state-of-the-art facility. "World-class doctors like to come to an environment where the university has its own hospital," Dean Pascal Goldschmidt said at the time.

For years, UM doctors have complained they have had a hard time scheduling elective surgery at Jackson and have had to take patients to Cedars and elsewhere.

Officials at the Public Health Trust, the board that oversees Jackson, have long expressed fears that if UM had its own hospital, its doctors would book the insured patients at their own institution and leave the uninsured or poor to Jackson, which needs paying patients to make up for those who get free treatment.

At the time of UM's original announcement, Jackson officials said they had been assured by UM officials that a new hospital wouldn't be used to siphon off paying patients from the public hospital.

However, a 560-bed UM--at-Cedars would be far larger than the school's original 144-bed proposal and could theoretically drain many more patients from Jackson.

## PRELIMINARY TALK

Jackson spokesman Robert Alonso refused to speculate on the implications of a Cedars-UM deal. "All of this is preliminary. It's really too early for us to say anything."

University of Miami doctors have already been using beds at Cedars. HCA spokeswoman Lourdes Garrido said 23 UM residents in six specialties are assigned full time to Cedars.

The county as a whole doesn't have a shortage of hospital beds. Linda Quick, president of the South Florida Hospital and Healthcare Association, estimates that about a third of licensed beds in Miami-Dade are empty.

State figures show that Cedars' occupancy rate was 53.7 percent in 2005, the last year for which hospital data is available.

Quick said that Jackson-UM have been looking at Cedars as a possible purchase "for years," but nothing has ever worked out.

That may be changing now because the 173-hospital giant was taken private in November for \$21.3 billion by a consortium of private-equity investors, including affiliates of Kohlberg Kravis Roberts & Co., Bain Capital, Merrill Lynch & Co.'s Global Private Equity group and HCA management.

The new owners assumed \$11.7 billion in debt as part of the acquisition. Cedars' price, however, is unlikely to be cheap, since it has been steadily profitable, earning \$15 million on \$198 million revenue in 2005, according to the Agency for Health Care Administration.

HCA spokeswoman Garrido declined to comment on the UM matter.

Speculation about a Cedars-UM deal has been swirling for weeks. "Nothing has been agreed to," UM trustee Braman said Wednesday, but many players have been considering the implications.

## FIU MED SCHOOL

Florida International University is developing its own med school, and some speculate it could become the teaching hospital for Jackson if UM moved everything to Cedars.

All parties reached Wednesday vehemently denied that possibility. Braman said "the relationship is too important" for UM ever to leave Jackson, and many of the world-class doctors that Goldschmidt is attracting were drawn to Miami to be able to treat the variety of patients that the public hospital affords.

Jackson spokesman Alonso acknowledged on Wednesday that "we are in talks with Florida International University, but it would be premature to comment any further at this time." He emphasized that Jackson remains "committed" to its "long-standing relationship" with UM.

## LEADER OF THE PACK

Goldschmidt, UM's new dean, arrived last spring with ambitious plans to elevate its stature as a leading medical school by attracting top talent and boosting research in areas like genetics. And he's looking to move fast.

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Formerly chairman of the department of medicine at Duke University, Goldschmidt has already executed a brain raid on his former employer, hiring the bulk of Duke's Center for Human Genetics.

The bulk includes Dr. Jeffery Vance and Dr. Margaret Pericak-Vance, a married couple that leads the team, and some 20 other researchers. The Vances -- prominent researchers who uncovered genes linked to diseases including Alzheimer's, Parkinson's and macular degeneration -- are launching the Miami Institute of Human Genomics and a department of human genetics.

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